Horthy rule. He and his friends placed time-bombs in democratic clubs, they robbed and beat up the Jews, wrecked the printing plants of democratic newspapers, burnt progressive books. They organised the concentration camps of the Horthy-Bethlen rule, into which thousands of us were herded a few days after the counter-revolutionary troops entered Hungary.

During the first few years of Bethlen's "consolidation" they were forced to disappear from the public scene. In the middle twenties they were slowly permitted to reappear as government-created yes-men deputies, as the mayors of unfortunate towns, as officials in various ministries. During the first two years of the thirties these people organised themselves and demanded power. They were dangerous to our big lords, and the times were dangerous also. Some say one of the reasons why Horthy and Bethlen and the inner circle of aristocrats, like Counts Sigray and Pallavicini, let the Gömbös gang win power was because they did not want to be directly responsible for the period to come.

Anyhow, Graner-Gömbös came to power and promptly announced that he was going to start a new and glorious millennium in Hungarian history. Next day the Budapest wits called him "Gömbölini" or "Adolf Graner". "Gömbösism" was a less effectively camouflaged and more stupid edition of the Horthy-Bethlen fascism. During the Gömbös era, to believe in progress, in good neighbourship, in science, was high treason to the "real Hungarian spirit" incarnate in Gömbös-Graner, the son of a Svabian market-woman. To build up the Gömbös version of true Hungarianism the political police was enlarged and the political side of the military police was reorganised and doubled.

These two police forces are the Hungarian Gestapo, directed by such true Hungarians as Herr Schweinitzer of the political police, and a lot of German generals of the General Staff. These two forces naturally fought us. You read too much about Gestapos, so we will not describe to you how these forces fought against us, how they beat up keen young students, writers, self-taught land-workers, how they tortured us, how they managed to send many of us into their prisons and concentration camps.

The glorious Gömbös era saw gendarmes destroying our villages, and almost illiterate Svabian petty criminals becoming "leaders of true Hungarian culture".

Gömbös made many trips to Berlin and Rome, with the approval of Horthy and Horthy's principal adviser, Count Bethlen. and the Hungarian people were robbed of all their rights and any possibility of halting their rulers on the road to war.

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC1

latter, however, still possess much wider powers than an English County Council.

Budapest and a few other large towns rank as Counties. Smaller towns have their own councils, but are subordinated to the County in which they are situated. Each County is also subdivided into rural districts, and these again into communes, which form the lowest grade of administration. Each commune, or village, has its own elected Council, but also a clerk or notary, who is an official of the County.

The police consists of two bodies: the gendarmerie for the rural districts, who are a military body, carrying firearms and wearing splendid feathered hats; and the ordinary police in the towns. The Nazi-controlled Government of 1944 began to 'militarize' the police also.

THE CHURCH. The Church counts for a great deal in Hungarian life. On Sundays almost everyone living within reach of a place of worship goes to Mass or the Protestant service, as the case may be. Especially in the country districts, the religious ceremonies are the chief occasions of the year. A very characteristic sight in Catholic districts is a long procession, consisting of most of the population of an entire village, walking slowly along the road, led by their priests and carrying banners with religious symbols. This going in procession is known as 'Búcsú' (literally 'farewell').

Hungary is a country of mixed religions, among which the Roman Catholic has the largest number of followers and holds, in most respects, the leading place. As has already been told, Hungary was con-

RECENT DEVELOPMENTS

315 sistent rumors of the presence of Romanian oil experts both at the oil fields at Lispe and at Nagykanizsa; a recent eyewitness account describes the arrest of six Romanian oil experts at Lispe in December 1952 and the closing of the "Romanian Office" at Nagykanizsa in January 1953.

●625 687 The internal security measures taken at the different nationalized units of the oil industry became increasingly severe. Confidential reports invariably refer to the heavy secret police supervision of personnel; to armed guards at the wells and along the pipelines; and to arrests, demotions, and deportations for mechanical and other failures.

The proximity of Yugoslavia and Austria to the Transdanubian oil area creates further problems for the communist authorities, necessitating the employment of additional heavy military guards, the screening of all workers for reliability, and an elaborate pass system. There have been border incidents; and the fact that a large part of their oil has to be extracted under the guns of Tito's militia seems to make the Budapest government particularly unhappy.[2] 1/1

648 471 315 Some recent and as yet unconfirmed reports state that the Hungarian government entered into a barter agreement with Soviet authorities according to which the formerly MAORT concession (the areas west of the Danube) and the National Transdanubian Oil Company (also formerly MAORT) were merged into Maszovol. As its part of the bargain the Soviet Union returned sixty-nine former German enterprises to the Hungarian government. This "generous" act of the Soviet Union was reported by Budapest newspapers as having taken place on 30 September 1952, but no mention was made of the oil deal.

If this information proves to be true, the entire Hungarian oil industry is now directly controlled in theory as well as in practice by a Soviet oil combinat in Moscow.

315 A discovery reported at Surd, south of Nagykanizsa, on the Inke structure, has been referred to above. There

2 1/1 [Cf. cat. 116, p. 73 for source -- Analyst]

20: Gyorgy S-4 (no date)1947 ECl Hungary ECl

role throughout the liquidation of the conspiracy. The Army leader most seriously implicated was Major General Lajos Dálnoki-Veress, who apparently served as head of *Magyar Közösség*, central organ of the reactionary plot. When the conspiracy was unmasked, the Ministry of the Interior used General Veress' "full confession" to complete the list of suspects; within a few days it arrested well over one hundred "fascist criminals," including six deputies of the Smallholders Party.[22]

As the Communists and Socialists continued to tighten control over the government, the weeding out of anti-democratic factions involved primarily three important Cabinet Ministries; Foreign Affairs, Agriculture and Reconstruction. Again the most prominent victims proved to be members of the Smallholders Party. The Ministry of Interior suddenly insisted that one of the anti-Communist members of Parliament, Béla Kovács, secretary of the Smallholders Party, be arrested. In Kovács' case all previous formalities were neglected; he was summarily jailed by Soviet occupational authorities on a set of charges including espionage against the Soviet Army, terrorism against the Russian occupation forces and participation in the formation of armed anti-Soviet groups.

Shortly after these arrests, Vice-Premier Rákosi demanded a national election, a new popular mandate to the two workers' parties by which Hungary's achievements could effectively be insured and decisive steps be taken in the fight of progressivism against feudalism. The Social Democratic Party fully supported Communist demands throughout these revolutionary developments. Giving a new and more flexible definition of democracy in Hungary, Arpád Szakasits explained at a Communist-Socialist rally that the Government could no longer be based on "mere arithmetical illusions." He argued that the "unnatural" electoral victory of the Smallholders could not form the basis of political rights. "We have always demanded a thorough purge of the Smallholders Party, and told its leaders *to abandon arithmetical illusions. We urged them to allow only peasants and other honest people to speak in their councils.*"[23]

22 Cf. "Die Verhaftungen in Budapest, Ein Communique des Innenministeriums," *Neue Zürcher Zeitung*, Jan. 6, 1947, front page; Albion Ross, "Hungary Reports Plot to Restore Horthy to Power," *The New York Times*, Jan. 5, 1947, pp. 1 and 35. László Rajk, Communist Minister of the Interior, controls the entire police system; he is not a Moscow emigré, but an extremist fanatic for whom even the Moscow-trained group of Communists is too slow. His brother was a Nazi stormtrooper, he himself is a fairly young ex-schoolteacher. Rajk was instrumental in carrying out the full-fledged purge of the Hungarian Army.

23 Cf. *Magyar Nemzet*, Jan. 19, 1947, p. 1. (Italics mine.)